

Keeping the Lifeline - A Call to Cancel the Cut to Universal Credit

Scottish Government Debate

[S6M-01405](#)

September 2021

Introduction

Age Scotland welcomes the opportunity to brief MSPs ahead of the Scottish Government Debate calling for the cancellation of the planned cut to the £20 Universal Credit uplift.

We are very concerned about the impact of this cut on all claimants now, and for those who might need Universal Credit in the future. This will be a particular challenge for the 106,311 over 50s in Scotland currently in receipt of it. Combined with the end of the furlough scheme, rising energy prices, and current supply chain issues, we believe the cut will mean many older people struggle to afford their bills this winter and will be left without a safety net if they are made redundant.

We are conscious that single older people on Universal Credit will be hugely impacted. The impact on single women will also be severe and could lead to a rise in female pensioner poverty in future years, exacerbating the already wide gender pension gap.

The £20 uplift has been a lifeline for many over 50s in Scotland during the pandemic. Now is the wrong time to remove it, and we join with political representatives and others, such as the Scottish Poverty and Inequality Commission, Citizens Advice Scotland, the Joseph Rowntree Foundation, and the Poverty Alliance, who have been calling for the cancellation of the cut.

Older Workers and the Furlough Scheme

We are extremely worried about the impact of the removal of the £20 uplift against the backdrop of the end of the furlough scheme later this week. The cut to Universal Credit risks leaving older workers with a significantly reduced safety net to fall back on should they lose their job. Redundancies are a significant source of anxiety for many older workers as the furlough scheme

Key statistics

- There are **106,311** over 50s in receipt of Universal Credit in Scotland
- **One third** of the Scottish workforce are now over 50
- **150,000** Scottish pensioners live in poverty
- Energy bills were the **biggest financial concern** for respondents to Age Scotland's Big Survey

ends, and the Office for National Statistics (ONS) has found 3 in 10 older workers think there is a 50% or more chance they will lose their job after it closes.¹

In common with younger people, older workers have been severely impacted in the labour market by the pandemic, with many losing jobs, being placed on furlough, or having their pay or hours reduced. Although the furlough scheme is winding down, there was a significant number of 50–64-year-olds still on furlough as at the end of July - 455,000 across the UK.²

Older workers who lose their jobs are at greater risk of long-term unemployment due to age discrimination in the recruitment process and caring responsibilities, which has an immediate impact on pension contributions and savings. Without time to plan and save for retirement, many could end up living for longer on a lower income. This in turn will lead to an increase in the number of pensioners living in poverty and poorer health.

Winter Pressures

The timing of the cut to the £20 uplift also coincides with rising energy bills, supply chain issues and shortages. The combination of these factors will sweep many people who were previously struggling into poverty overnight.

Even before the pandemic, fuel poverty impacted around 1 in 3 older households in Scotland. Age Scotland's [Big Survey](#), which 3,562 people over the age of 50 responded to, found that energy bills were by far the greatest financial worry, mentioned by 82% of respondents who indicated they felt financially squeezed by their bills. In addition, two thirds of respondents (67%) said that the requirement to stay at home over the last year had resulted in higher home energy bills, with 13% struggling to pay increased bills, 4% in arrears and 38% taking measures to use less energy.

We are concerned that, even before the Universal Credit cut is taken into account, those who were only just scraping by before the recent spike in energy prices will be pushed into fuel poverty. It is likely that many older people will be faced with making difficult choices between heating their homes sufficiently and other essentials this winter.

Mixed Age Couples

The removal of the £20 uplift will be a further blow to mixed age couples who are no longer eligible for Pension Credit. Since 2019, mixed age couples (a couple where one partner is a pensioner and the other is under State Pension age) have been ineligible for Pension Credit, and instead the younger partner must claim Universal Credit. Previously, couples were able to decide whether to claim working age benefits or Pension Credit.

¹<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/livinglonger/olderworkersduringthecovid19pandemic>

² <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-9-september-2021/coronavirus-job-retention-scheme-statistics-9-september-2021#furlough-by-age>

Want to find out more?

As Scotland's national charity supporting people over the age of 50, Age Scotland works to improve older people's lives and promote their rights and interests. We aim to help people love later life, whatever their circumstances. We want Scotland to be the best place in the world to grow older.

Our Policy, Communications and Campaigns team research, analyse and comment on a wide range of public policy issues affecting older people in Scotland. Our work is guided by the views and needs of older people themselves.

Further information

Contact the Age Scotland Policy, Communications and Campaigns team:

policycomms@agescotland.org.uk

0333 323 2400

Twitter [@agescotland](https://twitter.com/agescotland)

Facebook [/agescotland](https://www.facebook.com/agescotland)

LinkedIn [Age-Scotland](https://www.linkedin.com/company/age-scotland)

www.agescotland.org.uk